



[4830-01-p]

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

REG-150349-12

RIN 1545-BL39

Amendments to the Low-Income Housing Credit Compliance-Monitoring Regulations

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking by cross-reference to temporary regulations.

SUMMARY: In the Rules and Regulations section of this issue of the **Federal Register**, the IRS is issuing final and temporary regulations concerning the compliance-monitoring duties of a State or local housing credit agency (Agency) for purposes of the low-income housing credit. The final and temporary regulations revise and clarify certain rules relating to the requirements to conduct physical inspections and review low-income certifications and other documentation. The text of the temporary regulations also serves as the text of these proposed regulations.

DATES: Comments and requests for a public hearing must be received by **[INSERT DATE 90 DAYS AFTER PUBLISHED IN THE FEDERAL REGISTER]**.

ADDRESSES: Send submissions to: CC:PA:LPD:PR (REG-150349-12), room 5203, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand delivered Monday through

Friday between the hours of 8 a.m. and 4 p.m. to: CC:PA:LPD:PR (REG-150349-12), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, DC. Submissions may also be sent electronically via the Federal eRulemaking Portal at www.regulations.gov (IRS REG-150349-12).

FOR FURTHER INFORMATION CONTACT: Concerning the regulations, Jian H. Grant, (202) 317-4137, and Martha M. Garcia, (202) 317-6853 (not toll-free numbers); concerning submission of comments, the hearing, and/or to be placed on the building access list to attend the hearing, Oluwafunmilayo Taylor at (202) 317-6901 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

Final and temporary regulations in the Rules and Regulations section of this issue of the **Federal Register** amend the Income Tax Regulations (26 CFR Part 1) relating to section 42 and serve as the text for these proposed regulations.

Special Analyses

Certain IRS regulations, including this one, are exempt from the requirements of Executive Order 12866, as supplemented and reaffirmed by Executive Order 13563. Therefore, a regulatory assessment is not required. It also has been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these regulations, and because the regulations do not impose a collection of information on small entities, the Regulatory Flexibility Act (5 U.S.C. chapter 6) does not apply. Pursuant to

section 7805(f) of the Internal Revenue Code, this notice of proposed rulemaking will be submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on their impact on small business.

Comments and Requests for Public Hearing

Before these proposed regulations are adopted as final regulations, consideration will be given to any comments that are submitted timely to the IRS as prescribed in this preamble under the “Addresses” heading. The Treasury Department and the IRS request comments on all aspects of the proposed rules. All comments will be available at www.regulations.gov or upon request. A public hearing will be scheduled if requested in writing by any person that timely submits written comments. If a public hearing is scheduled, notice of the date, time, and place for the public hearing will be published in the **Federal Register**.

Drafting Information

The principal authors of these regulations are Jian H. Grant and Martha M. Garcia, Office of the Associate Chief Counsel (Passthroughs and Special Industries). However, other personnel from the IRS and the Treasury Department participated in their development.

List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

Proposed Amendments to the Regulations

Accordingly, 26 CFR part 1 is proposed to be amended as follows:

PART 1--INCOME TAXES

Paragraph 1. The authority citation continues to read in part as follows:

Authority: 26 U.S.C. 7805 * * *

Par. 2. Section 1.42-5 is amended by revising paragraphs (a)(2)(iii), (c)(2)(ii) and (iii), and (c)(3), and adding two sentences to paragraph (h) to read as follows:

§1.42-5 Monitoring compliance with low-income housing credit requirements.

(a) * * *

(2) * * *

(iii) [The text of proposed amendments to §1.42-5(a)(2)(iii) is the same as the text of §1.42-5T(a)(2)(iii) published elsewhere in this issue of the **Federal Register**].

* * * * *

(c) * * *

(2) * * *

(ii) [The text of proposed amendments to §1.42-5(c)(2)(ii) is the same as the text of §1.42-5T(c)(2)(ii) published elsewhere in this issue of the **Federal Register**].

(iii) [The text of proposed amendments to §1.42-5(c)(2)(iii) is the same as the text of §1.42-5T(c)(2)(iii) published elsewhere in this issue of the **Federal Register**].

(3) [The text of proposed amendments to §1.42-5(c)(3) is the same as the text of §1.42-5T(c)(3) published elsewhere in this issue of the **Federal Register**].

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(h) * * *

[The text of the proposed addition to §1.42-5(h) is the same as the text of the first two sentences of §1.42-5T(h)(1) published elsewhere in this issue of the **Federal Register**].

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John Dalrymple,

Deputy Commissioner for Services and Enforcement.

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